ISLAND WASTE MANAGEMENT CORPORATION

ANNUAL REPORT

March 31, 2000

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ESTABLISHMENT

Island Waste Management Corporation (IWMC) was established as a provincial crown corporation under the Environmental Protection Act at the end of May, 1999. Its objective is to manage all solid waste applications in Prince Edward Island and, accordingly, during the Summer of 1999 waste management responsibilities were transferred to IWMC from both the Department of Technology and Environment (DT&E) and from the former Island Waste Management *Commission* in an orderly fashion.

The main system components which IWMC assumed from DT&E to manage solid waste in the province include the following:

- Management of provincial dump sites and container sites / transfer stations across the province
- Collection of tippage fees at Trigen, Queens County Regional Landfill (Sleepy Hollow) and Wellington
- Management of the Wellington Waste disposal site (composting, separated waste, etc)
- Oversight of the privately-operated Trigen energy from waste plant in Charlottetown
- Oversight of the Waste Watch source separation program operated in the East Prince area under the former Commission
- Continued implementation of the Waste Watch source separation program to the remainder of the province.

IWMC is now responsible for the above, reporting through a Board of Directors to the Minister of Transportation and Public Works, who is in turn responsible to the Legislature for the crown corporation.

As a first step to properly manage the province's solid waste, IWMC analysed the approximate 120,000 tonnes of annually generated waste material in order to develop an integrated solid waste management plan for Prince Edward Island. The overview of this plan can be found at our website *www.iwmc.pe.ca*.

The integrated plan will see the Waste Watch program expanded to the remainder of the province by the end of 2002, at which time the fourteen unlined dumpsites across PEI can be closed and the nine transfer stations rationalised for cost effectiveness and convenience to residents and businesses.

This is the first annual report for IWMC and it covers primarily the highlights in the formative months for the 10-month period from June 1, 1999 to March 31, 2000, as well as looking ahead to immediate challenges in the next 24 months.

BOARD OF DIRECTORS

IWMC's five-person Board of Directors includes the following people:

Jack Campbell	Chair	Montague
Arnold Driscoll	Vice-Chair	Summerside
Michael O'Brien	Secretary-Treasurer	Charlottetown
Rory Francis		New Glasgow
Tom Harland		Stratford

The Board provides oversight and direction on policy matters and decisions.

MANAGEMENT

IWMC's organisational chart is attached. The main operating components are as follows:

Head Office	West Royalty Industrial Park
Branch Office (Waste Watch Program)	Slemon Park
East Prince Waste Management Facility	Wellington
Scale House Operations	Wellington
	Trigen (Charlottetown)
	Queens Co. Landfill (Sleepy Hollow)

OPERATIONS

This Past Year

In the ten months since IWMC's establishment, the following significant items have been addressed.

Integrated Waste Management Plan

Previously mentioned, this analysis and approach sets out the plan to address the province's 120,000 (approximate) annual tonnes of waste using an environmentally responsible approach and in an economically feasible manner for the Island's 135,000 residents and associated businesses.

When fully implemented, key disposal components will include the existing East Prince Waste Management Facility (operating lined cells only for residual waste, with the outdoor compost operation discontinued), a central composting facility to receive organic materials for recycling, and the Trigen Energy From Waste plant also taking residual waste. Disposal of recycling (blue bag) material will be provided through contracts with private companies. When complete, Prince Edward Island will be in a position to achieve a minimum diversion rate of 65%, significantly above the 50% target set by Ministers of Environment a decade ago.

Tire Baling

The first task IWMC addressed upon its establishment was the responsibility for implementing a used tire strategy for the 600,000 plus tires which had been collected and stockpiled at the Queens County Regional Landfill over the previous six years. This represented a fire hazard and therefore a significant environmental concern which required immediate attention. Following analysis of available methodologies, baling was identified as an environmentally acceptable cost-effective approach to resolution. Baling compresses the tires to a stage where the fire potential is reduced to a very low level.

A system was established to bale both the backlog of tires, as well as the ongoing supply of used tires which will be collected throughout the province in the coming years (approximately 110,000 annually).

Baling of used tires commenced in September, 1999 with the purchase of a baler and the hiring of staff. Funding for the management of used tires comes from the tire tax revenue collected from purchasers of new tires, at $2 per tire. Approximately 10 people were employed until winter shutdown in December, 1999. To that point 213,000 tires had been baled. The remainder of the backlog will be completed next season.

Slemon Park Branch Operations

The Slemon Park office, where Waste Watch was begun, continues to have direct day-to-day responsibility for that program, including its interface with the public and performance monitoring. A separate report is attached which provides detailed and interesting information on the work of this office and the success of the Waste Watch program.

On The Horizon

Waste Watch Program - Continued Implementation

A primary initiative of IWMC is the completion of the Waste Watch Program which was begun in the East Prince Area six years ago, and since expanded to the Cambridge area in Eastern PEI. This hybrid program, which separates waste into three streams to achieve a diversion rate of 65%, is widely accepted by users.

At the present time, expansion is limited to the recycling (blue bag) component of the program, as there is no disposal available for the organic composting portion of the program beyond the present usage.

In June, 2000 (subsequent to the fiscal year covered by this report) IWMC launched the residential recycling portion of the program to the West Prince and Capital Region Areas. This has the potential of removing 3,500 annual tonnes from landfill.

The remainder of the Province will be put on the residential blue bag program in 2001.

Central Compost Facility

A central indoor compost facility is required to handle the 30,000 tonnes of organic waste generated annually in PEI. Presently, the East Prince Area composts 10,000 of organic waste outdoors at the East Prince Waste Facility. Combining this with organic wastes from the rest of the province will mean that the composting portion of the Wellington facility can be discontinued, thereby eliminating the odour and bird problems brought about by outdoor composting.

These types of facilities, which are now operating in Halifax and are also becoming prevalent elsewhere throughout the world, represent a significant step forward in the management of waste on a sustainable basis. They recycle the organic component of waste instead of landfilling it, thereby reducing the exposure to leaching from this type of material.

The opening of this facility by the Spring of 2002 will pave the way for the completion of the implementation of the Waste Watch program to the whole province. This, in turn, allows for the closing of the fourteen unlined dumpsites across PEI, significantly reducing environmental exposures to the communities in which they are located.

Tippage Fees

Tippage fees help pay for the costs of the disposal portion of the waste management system. Presently, the fee of $36 collected at the scales at the Trigen, Queens County Regional Landfill and the Wellington sites does not come close to meeting these costs which are in the $50 to $60 range.

In Halifax, the tippage fee for disposal of organic material is $69, while the fee for the disposal of residual waste to landfill is $110, or three times PEI's rate.

Here in PEI IWMC is required to pay Trigen $48 per tonne to dispose of waste, while collecting $36. Trigen handles approximately 32,000 tonnes annually, or approximately 25% of the Island's waste generation. It is important to note that Trigen turns waste into a useable product, producing heat for supply to institutions in the Charlottetown area, eliminating the need for a substantial landfill.

As IWMC continues to build a cost-effective and transparent waste management system on a user-pay basis, it will be necessary to increase the fee to a sustainable level. This will be done with advance notice to the users, mainly waste collection companies and municipalities, so that they can adjust their operations accordingly.

Tippage fees in PEI are subject to approval by Executive Council.

Queens County Regional Landfill - Extension

The original 15-year agreement between the Province and the Community of Miltonvale Park expired in July, 2000. Because the implementation of the Waste Watch program and the accompanying disposal system have been delayed, this site is required (and has remaining capacity) for a further two years.

Subsequent to March, 2000 IWMC and Miltonvale Park have agreed that the site will be used until July, 2002.

Fly Ash

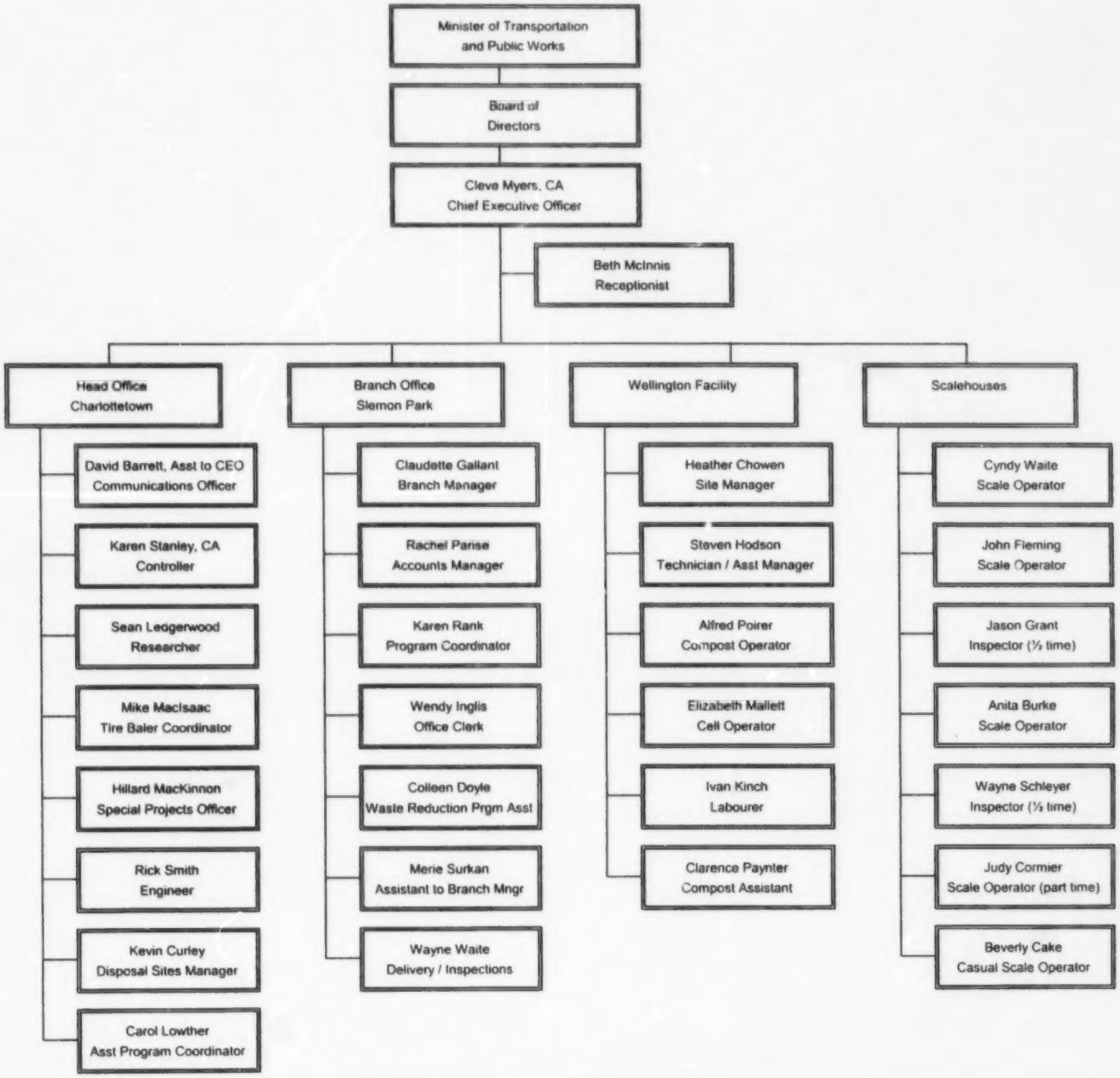
The operation at the Trigen Energy From Waste plant produces both bottom ash and fly ash. The fly ash is collected and mixed in with the bottom ash, which is watered for cooling, prior to disposal to the Queens County Regional Landfill.

Because fly ash represents a hazardous waste, IWMC intends to have it collected separately and removed for proper disposal, likely off-Island by a certified hazardous waste company. Discussions have commenced with Trigen on this matter.

FINANCIAL

IWMC's financial operations commenced with its establishment at the end of May, 1999, at which time the financial affairs of the predecessor Commission were amalgamated. IWMC's audited financial statements are attached for the period ending March 31, 2000.

Island Waste Management Corporation



ISLAND WASTE MANAGEMENT CORPORATION

BRANCH OFFICE
SLEMON PARK, PE

Annual Report

January 1999 - March 2000

Prepared for: Chief Executive Officer
Mr. Cleve Myers, CA

Prepared by: Manager
Claudette Gallant

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MANAGER'S MESSAGE

The predecessor of the Island Waste Management Corporation, the Island Waste Management Commission, was dissolved by Order in Council dated May 25, 1999.

As set out by section 13 of this Order in Council, the fiscal year of the Island Waste Management Corporation is the same as the Province of Prince Edward Island therefore this report outlines branch office activities for the period of January 1999 to March 31, 2000.

The branch office is located at 15 Cedarwood Avenue, Slemon Park, PE. and the hours of operation are from 8:00 AM to 4:00 PM, Monday to Friday. The branch office has seven employees and also administers the scale operator and load inspection positions.

The East Prince Waste Management Facility in Wellington Centre is managed by Heather Chowen and employs an Assistant Manager / Technician, three Heavy Equipment Operators and a Labourer. An organizational chart is included in Appendix 1.

MANDATE

The branch office is responsible to develop, supervise and manage the business affairs for the:

- Waste Watch Program;
- Waste Reduction Program;
- Financial and human resources at the branch office and the provincial scale houses.

OBJECTIVES

- Ensure that the tax payers of Prince Edward Island receive quality service for residential curbside waste collection.
- Provide guidance and support to the both the residential and the Industrial, Commercial and Institutional (IC & I) sectors in order to facilitate participation in the Waste Watch program.
- Develop and enforce program policies while maintaining program diversion rates and program integrity.
- Exercise leadership when introducing the Waste Watch program to other areas of the province.

WASTE WATCH PROGRAM

Waste Watch, implemented in East Prince County in December 1994, is an integrated waste management system based on source separation. Approximately 12,600 households, 1,100 businesses (IC & I) and 1,300 seasonal residences (cottages), which represents 25% of the Island population, participate in this mandatory program.

The basic principles of the Waste Watch program are:

1. We are all responsible for the management of our own waste.
2. Certain materials we once called "waste" are actually "resources".
3. Separating waste at the source appears to be the most effective and affordable option.
4. We are all responsible to future generations for the state of environment we leave them.

To inform participants of sorting guidelines, carts and blue bags are monitored regularly. We also offer staff orientation sessions and waste audits to the IC & I sector. These practices contribute to improving the quality of source separation, consequently, stabilizing program costs and producing Grade A quality compost.

There are also approximately 1,200 households in the Greater Charlottetown area that participate in a pilot Waste Watch program administered by the Capital Region Environmental Advisory Committee (CREAC).

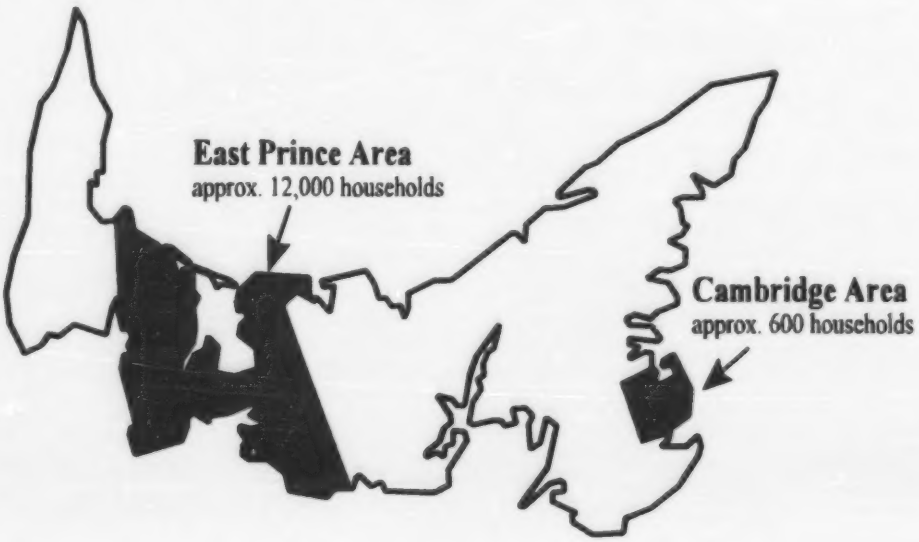


Figure 1 - Map of PEI showing the areas participating in Waste Watch.

1999 / 2000 HIGHLIGHTS

Souris Youth Services Canada
In January, the Program Coordinator participated in the Souris Youth Services Canada project. A one-week training plan was developed and offered to 15 participants. This included a 5-day training session which generated community awareness and general Waste Watch acceptance in this area of the Province. The students used this knowledge to help the public sort their waste at various community events.

Paint Recovery Project
A second Paint Recovery Day was held for the residents of PEI on October 16, 1999. Five drop-off locations throughout the province were established. Over 1,000 households dropped-off over 16,000 paint cans for recycling. The paint was recycled by Preferred Environmental in Moncton, N.B.

Some residents also dropped off different types of household hazardous waste which was accepted as opposed to risking that these materials would be disposed of improperly. Over 56 drums of household hazardous waste was accepted that day. Philip Services, also in Moncton, N.B., disposed of the household hazardous material.

Apartment Pilot Project
Two pilot projects were introduced in January and March 2000. The purpose of these projects is to determine the most effective and economical solution to multiple unit dwelling participation.

In one project, SSI Schaefer carts were replaced with dumpsters and the other project excludes residential units within a commercial building from the Waste Watch fee and the residential collection.

Both projects are ongoing and the results are being monitored to conform with Waste Watch expansion into the Charlottetown area.

Silage Wrap Recycling Project
This project is ongoing for collecting the silage wrap. The East Prince Waste Management Facility in Wellington Centre accepts the silage wrap from participating farmers with the intention of recycling the material.

Trade Fairs Attended

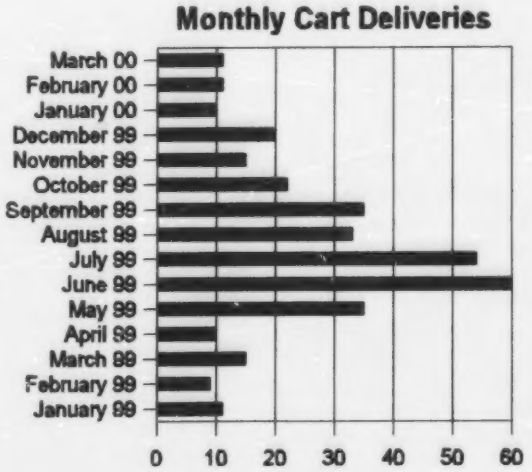
• Showcase 99	April 16, 17 & 18, 1999
• Consolidated Credit Union	April 25, 1999
• Composting Conference	May 3, 4 & 5, 1999
• Alberton Trade Fair	May 29 & 30, 1999

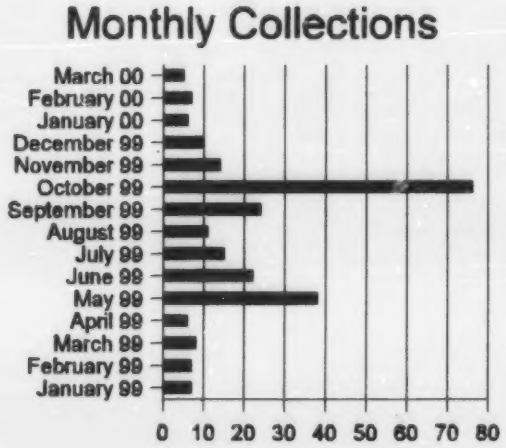
Waste Watch Presentations
Waste Watch presentations are offered throughout the year to schools, organizations/associations and various groups. A list of the scheduled presentations is attached in Appendix 2.

CUSTOMER SERVICE

Daily services provided by the Corporation include cart deliveries, special collections, permits, Statutory Declarations, and general inquiries. Each section of daily services is detailed below.

Cart Deliveries	
New Homes	109 sets
Existing Homes	37 sets
New Cottages	5 sets
Existing Cottages	80 sets / 1 waste
New Apartment Units	32 sets
Existing Apartment Units	38 sets
New Mobile Homes	32 sets
Refusals	8 sets
Voided Declarations	7 sets
Voided Sharing	11 sets
Voided Compost Exempt	2 compost carts
Farming Operations	2 sets / 1 waste
Lennox Island	4 sets / 1 waste
Total	**364 sets**
	3 waste carts
	2 compost carts





Special Collections
Includes off-season collections, Spring or Fall cleanup for cottages and collections for new participants.

Permits Issued

Permits are issued for special circumstances to waive the tip fee. All permits are issued by the branch office and the resident is advised of the disposal guidelines. Staff at the East Prince facility have the authority to revoke permits from residents who do not abide by the guidelines or facility policies.

A total of 112 permits were issued throughout this period; 79 permits were issued to landlords for a total of $747.00, 26 permits were issued to the Salvation Army for a total of $176.00 and 7 permits were issued as special permits to haulers/organizations for a total of $59.00. The total value of the permits for this period is $982.00.

January 1999	2	1	1	$30.00
February 1999	7	0	0	$56.00
March 1999	4	2	0	$89.00
April 1999	5	0	0	$63.00
May 1999	4	1	6	$78.00
June 1999	2	6	0	$51.00
July 1999	6	2	0	$40.00
August 1999	7	4	0	$92.00
September 1999	8	2	0	$69.00
October 1999	5	1	0	$98.00
November 1999	11	2	0	$81.00
December 1999	1	1	0	$11.00
January 2000	7	1	0	$83.00
February 2000	3	2	0	$26.00
March 2000	7	1	0	$115.00

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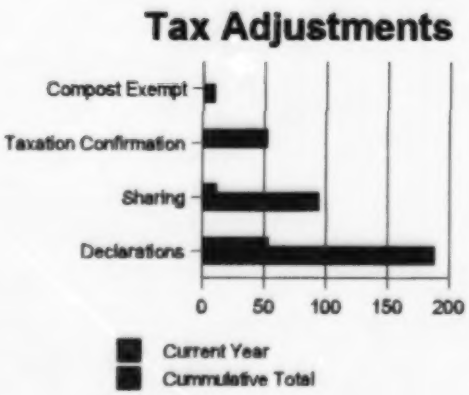
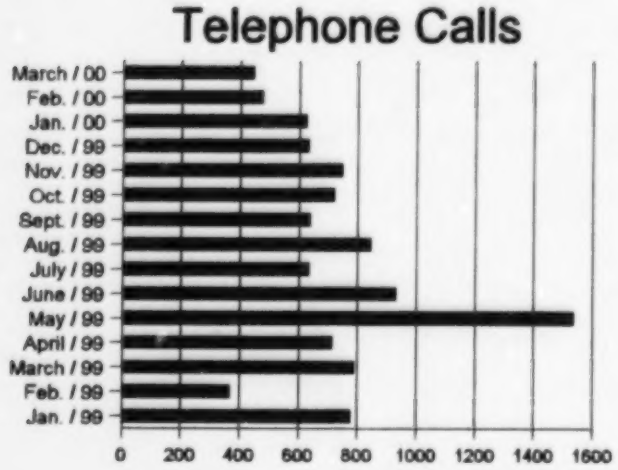
Month	Landlord	Salvation Army	Special	Tip Fee Value
January 1999	2	1	1	$30.00
February 1999	7	0	0	$56.00
March 1999	4	2	0	$89.00
April 1999	5	0	0	$63.00
May 1999	4	1	6	$78.00
June 1999	2	6	0	$51.00
July 1999	6	2	0	$40.00
August 1999	7	4	0	$92.00
September 1999	8	2	0	$69.00
October 1999	5	1	0	$98.00
November 1999	11	2	0	$81.00
December 1999	1	1	0	$11.00
January 2000	7	1	0	$83.00
February 2000	3	2	0	$26.00
March 2000	7	1	0	$115.00
Totals	**79**	**26**	**7**	**$982.00**

Residential Assessment Adjustments
The residential assessments which determine the Waste Watch fee are *adjusted for cart sharing, compost exempt,* taxation confirmation on change of assessments and Statutory Declaration situations.

The chart compares the number of adjustment situations during this period with the accumulated totals.





Calls Received
There were approximately 11,000 telephone calls received during this period. The chart outlines the number of calls received monthly.

Note:
The chart accounts for the calls registered through the main line. Increase by 15% to include calls received on direct lines.

SSI SCHEAFER CARTS

Carts Damaged by Contractors
A total of 5 carts were damaged due to mishandling by drivers. Superior Sanitation was invoiced for the replacement cost for each cart.

Mini-bin Deliveries
A total of 7 mini-bins were delivered or picked up from the branch office. This is over and above the mini bins delivered with sets of carts.

Warranty Replacement Carts
There were a total of 10 warranty replacement carts delivered with the cost recovered by SSI Schaefer Systems.

Burnt Replacement Carts
There were 11 work orders regarding replacements of burnt carts. Nine compost and 6 waste carts were replaced and charged to the property owner.

Cart Repairs
There were a total of 50 cart repairs carried out during this period. Most were to replace cart handle plugs or wheels.

Loaner Carts
Loaner carts are issued to properties on a short-term basis. Carts are returned when no longer necessary or upon vacating the property. The property owner/tenant is liable for the replacement of a damaged loaner cart.

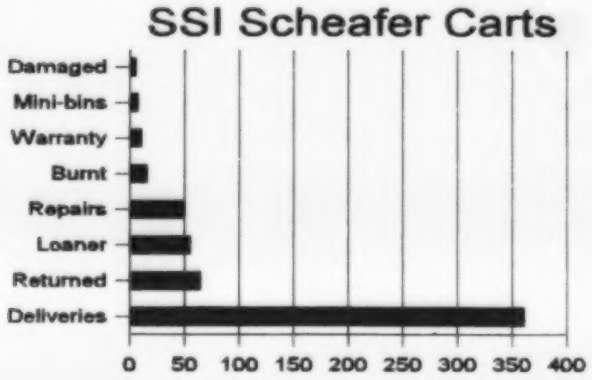
Loaner carts in circulation:

Large family ..... 29 compost carts
Diaper project ..... 8 compost carts
Health problem .....1 compost cart
Road access .....7 sets & 1 compost

Total Accumulated Loaner Carts - 46 compost carts 7 waste carts

Returned Carts
A total of 64 carts were picked up due to sharing applications, Statutory Declarations, burned or demolished residences, mobile homes moved outside the boundaries or carts found.

Cart Deliveries
There were a total of 351 cart deliveries to year round and seasonal residences during this period. (Details previously mentioned in customer services section)



TAX BILL REPORT

The Island Waste Management Corporation produces a billing report for Provincial Treasury which indicates the amount of the Waste Watch fee to be applied to all residential parcel numbers within the Waste Watch boundary.

This amount is paid to the Corporation in quarterly installments. All billing adjustments are administered by the branch office and credited to the tax payer's property tax account.

Following is a summary of the revenue (before credits) for the 2000 tax bill year.

AREAS 5 & 6 (West Prince)

Properties not billed	5,880
Properties billed 4,914	
Total Properties	10,794
2000 Total Billed $62,021.00	

AREAS 9, 10, 11 & 14 (Cornwall, Charlottetown & Stratford)

Properties not billed	2,749
Properties billed 11,978	
Total Properties	14,727
2000 Total Billed $218,804.00	

AREAS 1, 2, 3, 4, 4a, 15 (East Prince & Cambridge)

Properties not billed	9,871
Properties billed 12,186	
Total Properties	22,057
2000 Total Billed $1,592,390.31	

2000 Summary

AREAS 5 & 6	$62,021.00
AREAS 9, 10, 11 & 14	$218,804.00
AREAS 1, 2, 3, 4, 4a, 15 ..	$1,592,390.31
Total Revenue from Tax Bills $1,873,215.31	

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1999 Diversion Rates

The diversion figures are calculated on a "current flow" method. The current flow method measures the tonnes diverted through recycling and other diversion programs against the tonnes of waste residue disposed. It should be noted that this method does not take into account any reduction procedures, such as backyard composting, by participants or any improvements such as packaging (by companies) that may have occurred throughout the year. It also does not include any materials that are shipped outside of the Island Waste Management Commission's boundaries.

AREAS 1, 2, 3, 4, 4A AND CAMBRIDGE (AREA 15)

Compost - Residential	**4,562.7**		**14.7%**	
Compost - Commercial	**5,138.8**		**16.6%**	
Recyclables - Residential	**1,843**		**5.9%**	
Recyclables - Commercial	**4,363.2**		**14.1%**	
Waste - Residential	**3,522.6**		**11.4%**	
Waste - Commercial	**7,542.8**		**24.3%**	
White Goods	**410.6**		**1.3%**	
Tires	**342.5**		**1.1%**	
Contaminated Soil	**982.4**		**3.2%**	
Household Batteries	**0.11**		**0.0004%**	
Household Hazardous Waste	**16.1**		**0.05%**	
Other Provincial Programs	**1,867**		**6.0%**	
Incinerated	**397.7**		**1.3%**	
Total Tonnage		**30,989.5**		
Total Diversion				**64.3%**

1999 Diversion Rates

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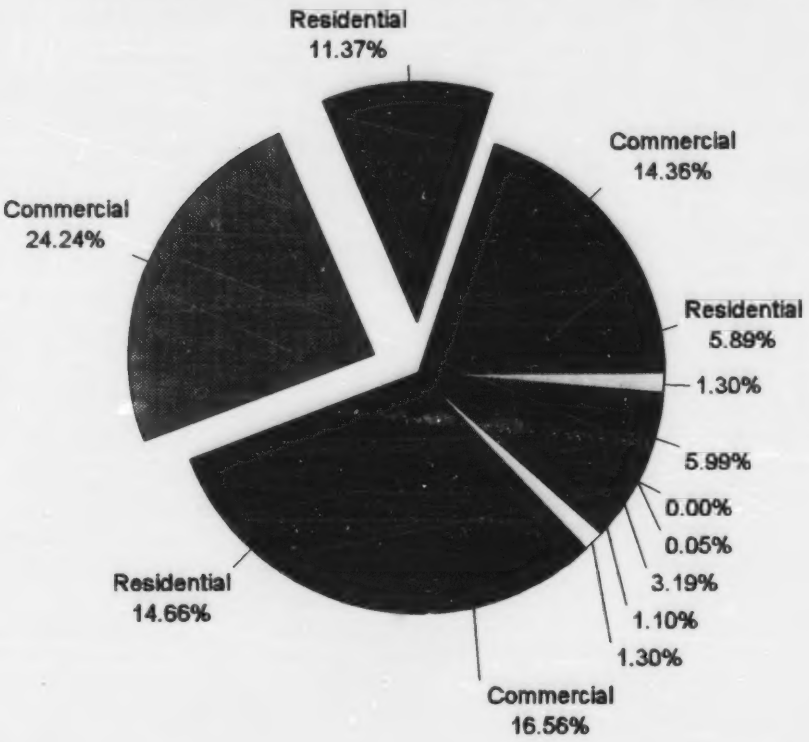
AREAS 1, 2, 3, 4, 4A AND CAMBRIDGE (AREA 15)

	Metric Tonnes		Percent	
Compost - Residential	4,562.7		14.7%	
Compost - Commercial	5,138.8		16.6%	
[illegible]		9,701.5		31.3%
Recyclables - Residential	1,843		5.9%	
Recyclables - Commercial	4,363.2		14.1%	
[illegible]		6,206.2		20.0%
Waste - Residential	3,522.6		11.4%	
Waste - Commercial	7,542.8		24.3%	
Total Waste		11,065.4		35.7%
White Goods	410.6		1.3%	
Tires	342.5		1.1%	
Contaminated Soil	982.4		3.2%	
Household Batteries	0.11		0.0004%	
Household Hazardous Waste	16.1		0.05%	
Other Provincial Programs	1,867		6.0%	
Incinerated	397.7		1.3%	
Total Other		4,016.4		13.0%
Total Tonnage		30,989.5		
Total Diversion				64.3%

1999 Diversion Chart



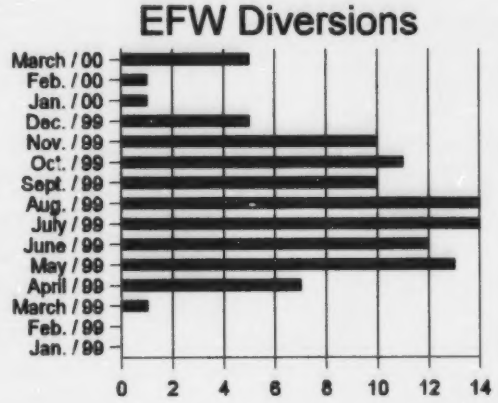
Waste Watch yearly tonnages and diversion rates

Year	Tonnes	Diversion Rate
1995	23,560	60.5%
1996	25,303	64.8%
1997	26,460	65.5%
1998	29,362	65.1%
1999	30,990	64.3%
Total	**135,675 tonnes**	

Waste Reduction Program

As of January 1999, the branch office administers the Waste Reduction Program which includes the collection of tip fees at the three provincially owned landfill sites. Tip fees are based on $36.00 per ton for waste (and compost in East Prince), $62.00 per ton for contaminated material and $54.00 per ton for confidential material. A detailed list of fees for all material types can be found in Appendix 3.

Following are statistics on the material received at the Energy from Waste plant (EFW), the Queen's County Provincial Landfill in Sleepy Hollow (SH) and the East Prince Waste Management Facility in Wellington Centre (EP):

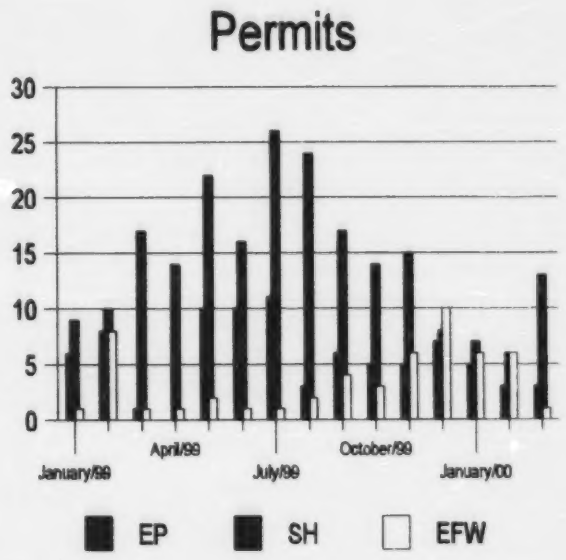


Diversions
Occasionally, the EFW plant has more burnable waste than required or the plant is closed for maintenance therefore the commercial waste is diverted to the SH landfill site. There were a total of 104 diversions during the period covered in this report.

Permits
Contaminated material permits are issued by the Department of Technology & Environment.

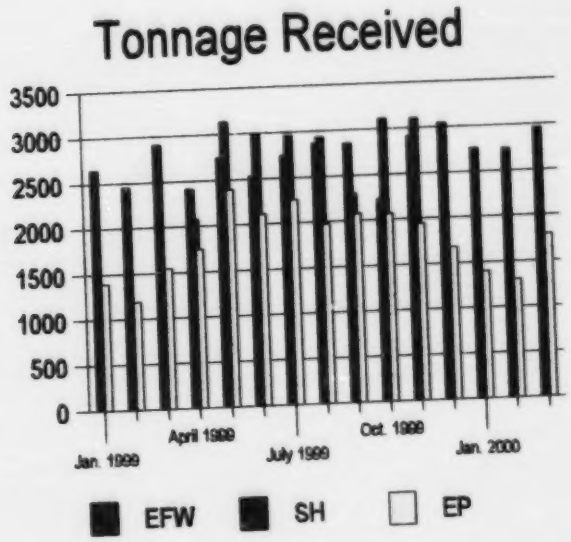
Boundary permits are also required to transport material from the Waste Watch areas to the EFW plant or SH landfill.

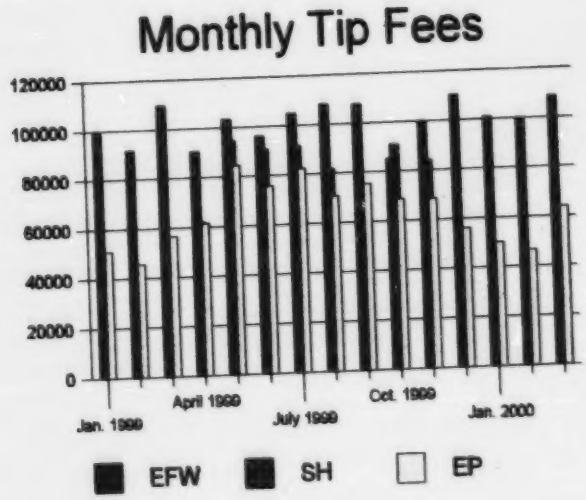
A total of 340 contaminated material permits and 14 boundary permits were received during this period.



Tonnage Received
Flat fees were eliminated in November to improve accuracy of the recorded tonnage.

The chart indicates the total tonnage received at each scale house.





Tip Fee Revenue
Monthly tip fees include cash sales and sales billed to customer accounts. We have approximately 550 account customers which generates approximately 93 % of revenue.

Note:
These amounts represent a 15 month period and are before reversals and/or adjustments.

CONCLUSION

The success of the Waste Watch program can be measured by:

- participation rates (residential and IC & I ;
- quality of waste and organic material received at the East Prince facility;
- quality of recyclable material received at the recycling plants; and
- annual diversion rates.

Our success can be attributed to several factors:

- the program is mandatory for both the residential and the IC & I sectors;
- the use of a two cart system allows for curbside monitoring and education;
- IC & I material is inspected at the facility and surcharges apply for non-compliance with source separation;
- households refusing to participate does not preclude them from the residential fee on the tax bill;
- collection of the fee is assured by Provincial Treasury; and
- the development of good public relations and customer service.

Since implementation of the Waste Watch program, a total of 136,000 tonnes of materials which represents a 64% diversion rate, were diverted from landfill by composting, reducing, re-using and recycling.

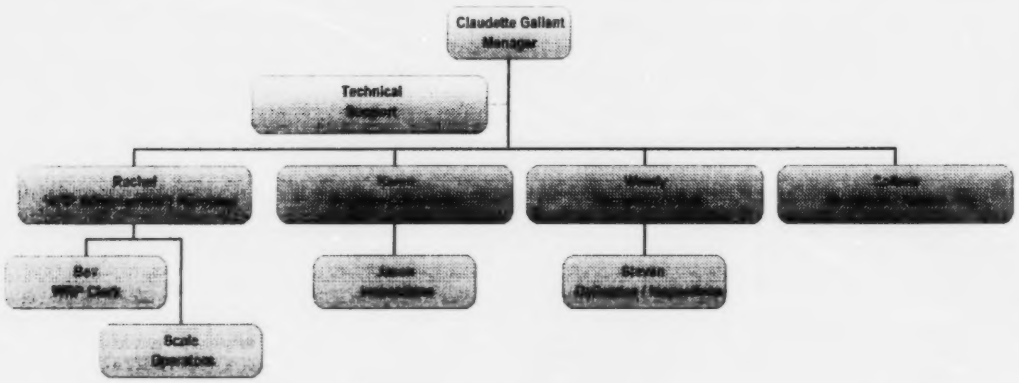
As Waste Watch expands, Island residents and visitors alike, are accepting the responsibility of disposing of the waste they produce in an environmentally sound manner.

Within Waste Watch we develop an environmentally conscious population which not only benefits from landfill diversion but decreasing numbers of illicit dumping, littering, unsightly premises, and water and soil contamination offenses.

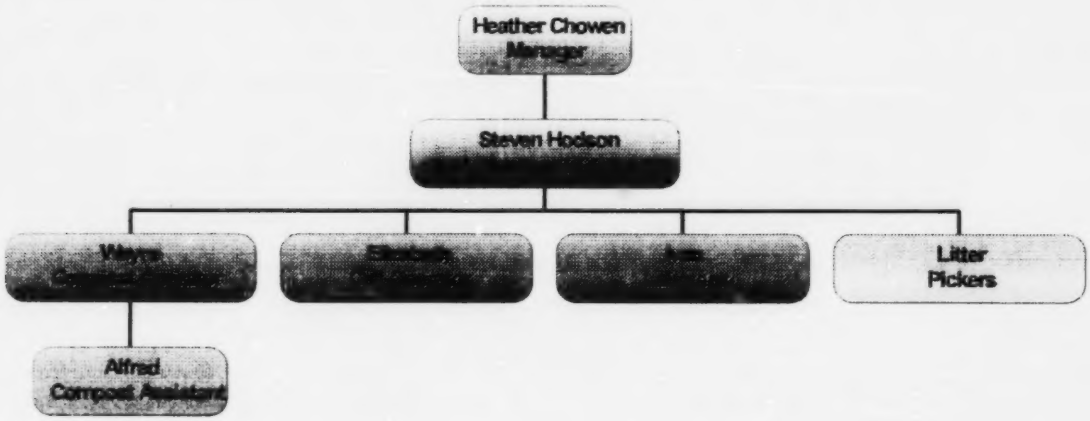
Appendix 1

1999 Organizational Chart

BRANCH OFFICE - SLEMON PARK



EAST PRINCE WASTE MANAGEMENT FACILITY - WELLINGTON



Appendix 2

WASTE WATCH PRESENTATIONS

• Kinkora Elementary Science Fair	February 16, 1999
• Wilmot Brownies	February 24, 1999
• Summerside Legion	March 1, 1999
• TAIPEI - Tourist	March 4, 1999
• Somerset School (grades 1-6)	March 10, 1999
• Ellerslie School Science Fair	March 10, 1999
• Souris Brownies	March 25, 1999
• Provincial Science Fair	April 8, 1999
• West Prince Development	April 8, 1999
• West Prince Health Inspector	April 15, 1999
• Montague Youth Group	April 21, 1999
• Russian Delegation	May 6, 1999
• West Prince Health	June 3, 1999
• Spruce Grove Alberta Mayor	June 11, 1999
• Tom Hibbs, Newfoundland	July 6, 1999
• E.P. Young Environmentalist	July 13, 1999
• Richard Newman, DND	August 4, 1999
• Sid Talma, New York	August 5, 1999
• World Canada Youth	August 30, 1999
• Culinary Institute	September 13, 1999
• Somerset School grs. 1-8	September 22, 1999
• Athena Consolidated grs. 1-9	September 23&24,1999
• St. Louis School	October 6, 1999
• Wilmot Sparks Group	January 26, 2000
• East Royalty Scouts	February 3, 2000
• West Prince Development	February 8, 2000
• Amyherst Cove Elementary	February 28, 2000
• Ellerslie Science Fair	March 8, 2000
• St. Eleanors Borwnies	March 9, 2000
• Culinary Institute Tourism	March 9, 2000

Appendix 3

FEE PER MATERIAL TYPE

Material Type	$ / Tonne	Flat Fee (>60 kg)	Effective Date
MSW [1]	$36.00	$2.00	January 1999
Compost	$36.00	$2.00	January 1999
Mixed Waste	$90.00	$25.00	January 1999
C & D [2]	$36.00	$2.00	January 1999
Yard Waste	$36.00	$2.00	January 1999
IC & I [3] Waste	$36.00	$2.00	January 1999
Farm Waste	$36.00	n / a	January 1999
Sludge	$36.00	n / a	January 1999
IC & I Contaminated Soil	$36.00	n / a	January 1999
Residential Contaminated Soil	$5.00	n / a	January 1999
Contaminated Material	$62.00	$9.00	June 1999
Confidential Material	$54.00	$7.00	June 1999
Diagnostic Waste	$48.00	n / a	January 1999
Oil Saturated Material, Rags	$70.00	n / a	January 2000
Tires	No fee	n / a	January 1999
Ashes	No fee	n / a	January 1999
Recyclable Material	No fee	n / a	January 1999
Junk Box	No fee	n / a	January 1999
White Goods	No fee	n / a	January 1999

[1] Municipal Solid Waste

[2] Construction and Demolition Debris

[3] Industrial, Commercial and Institutional

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Island Waste Management Corporation
Financial Statements
March 31, 2000

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Auditors' Report

To the Board of Directors of
Island Waste Management Corporation

We have audited the statement of financial position of Island Waste Management Corporation as at March 31, 2000 and the statements of operations and surplus and cash flows for the period then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2000 and the results of its operations and changes in its cash flows for the period then ended in accordance with generally accepted accounting principles.

Charlottetown
Prince Edward Island
October 16, 2000

Grant Thornton LLP

Chartered Accountants

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199 Grafton Street
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C1A 7K4
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Island Waste Management Corporation
Statements of Operations and Surplus
Ten Month Period Ended March 31, 2000

Revenues	
Household user fees	$ 1,415,706
Tippage fees	3,070,679
Tire baling	229,190
Operating grants	633,813
Other	14,015
	5,363,403
Expenditures	
Administration (Page 8)	592,796
Operational costs	
Collection (Page 9)	938,172
Disposal (Page 10)	3,930,533
Compost facility development	9,523
	5,471,024
Excess expenditures over revenues	$ (107,621)
Surplus, beginning of period	$ -
Surplus transferred from Island Waste Management Commission	345,950
Excess expenditures over revenues	(107,621)
Surplus, end of period	$ 238,329

See accompanying notes to the financial statements.

Island Waste Management Corporation
Statement of Financial Position
March 31, 2000

Assets	
Current	
Cash and cash equivalents	$ 148,854
Receivables (Note 3)	1,212,091
Inventory	10,753
	1,371,698
Receivables	104,029
Equipment and leaseholds (Note 4)	218,254
	$ 1,693,981
Liabilities	
Current	
Payables and accruals (Note 6)	$ 1,137,699
Deferred revenue	16,147
Current portion of long term debt	44,773
Capital lease principal payable within one year	56,351
	1,254,970
Contractor deposits	77,500
Long term debt (Note 7)	21,349
Leases payable (Note 8)	101,833
	1,455,652
Surplus	238,329
	$ 1,693,981

Commitments (Note 9)

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Island Waste Management Corporation
Statement of Cash Flows
Ten Month Period Ended March 31, 2000

Increase (decrease) in cash and cash equivalents	
Operating	
Cash received from customers	$ 4,182,905
Cash payments to suppliers	(3,503,780)
Cash payments to employees	(740,475)
Interest paid	(36,970)
	(98,320)
Financing	
Proceeds from new long term debt	87,500
Repayment of long term debt	(21,378)
Repayment of capital lease obligations	(205,340)
Performance deposits received	7,500
Operating grants	496,359
	364,641
Investing	
Purchase of equipment and leaseholds	(179,516)
Net increase in cash and cash equivalents	86,805
Cash and cash equivalents	
Cash transferred from Island Waste Management Commission	62,049
Beginning of period	-
End of period	$ 148,854

See accompanying notes to the financial statements.

Island Waste Management Corporation
Notes to the Financial Statements
March 31, 2000

1. Nature of operations

The company is a Crown corporation established under the provisions of the Environmental Protection Act and therefore is exempt from income taxes under Section 149(l)(d) of the Canadian Income Tax Act. The company's objective is to implement and manage a province-wide waste management system. This includes the collection and disposal of all solid waste generated in Prince Edward Island.

2. Summary of significant accounting policies

Inventory
Inventory is valued at the lower of cost and net realizable value

Cash and cash equivalents
Cash and cash equivalents include cash on hand, balances with banks and short term investments with maturity dates of 90 days or less. Bank borrowings are considered to be financing activities.

Depreciation
Rates and bases of depreciation applied to write-off the cost of equipment and leaseholds over their estimated lives are as follows:

Machinery	30%, declining balance
Office equipment	20%, declining balance
Computer equipment	30%, declining balance
Computer software	30%, declining balance
Leasehold improvements	3 yrs, straight line
Signage	20%, declining balance

3. Receivables

Trade	$ 450,002
Province of Prince Edward Island	
Household user fees	398,098
Operating grants	187,500
Other	142,913
Goods and services tax	33,578
	$ 1,212,091

4. Equipment and leaseholds

	Cost	Accumulated Depreciation	Net Book Value
Machinery	$ 148,295	$ 18,537	$ 129,758
Office equipment	33,074	5,277	27,797
Computer equipment	67,275	14,066	53,209
Computer software	6,546	1,137	5,409
Leasehold improvements	1,854	258	1,596
Signage	529	44	485
	$ 257,573	$ 39,319	$ 218,254

5. Bank indebtedness

The corporation has an operating line of credit of $450,000 of which $292,762 is used at period end.

The corporation also has a line of credit of $500,000 of which nil is used at period end. As security, the Province of Prince Edward Island has provided a guarantee.

6. Payables and accruals

Trade	$ 57,076
Waste Reduction Program	
Trade	33,561
Province of Prince Edward Island	1,047,062
	$ 1,137,699

7. Long term debt

Prime term loan, maturing December 2001, payable in monthly instalments of principal and interest of $4,000. As security the corporation has assigned funds for baling tires from the Department of Transportation and Public Works and certain equipment.	$ 66,122
Less: current portion	44,773
	$ 21,349

Annual principal repayments in each of the next two years are due as follows: 2001 - $44,773; 2002 - $21,349.

8. Capital lease obligation

Future minimum lease payments on capital leases of compost containers, garbage containers, kitchen counter containers and transponder tags for garbage and compost containers as at March 31, 2000 are as follows:

2001	$ 67,466
2002	67,466
2003	35,467
2004	7,073
	177,472
Amount representing interest	19,288
	158,184
Principal due within one year	56,351
	$ 101,833

9. Commitments

The corporation has entered into agreements to lease office and storage space. Minimum rent payable for the next three years on these leases are as follows:

2001	$ 43,517
2002	25,200
2003	25,200

The corporation has also entered into an agreement to lease a compost turner and screener for the next four years. Minimum lease payments on these leases are as follows:

2001	$ 132,516
2002	92,482
2003	50,976
2004	48,103

10. Other matters

Prior to March 31, 2000 the Corporation acted as an agent for the Province of Prince Edward Island for the collection of tippage fees and payments associated with the collection of these fees. Revenues and expenditures relating to these collections and payments are recorded in these financial statements.

Future costs associated with the closure and decommissioning of provincial dump sites are the responsibility of the Province of Prince Edward Island.

Island Waste Management Corporation
Schedule of Expenditures – Administration
Ten Month Period Ended March 31, 2000

	Charlottetown	Slemon Park	Total
Communication, promotion and education	$ 1,286	$ 12,838	$ 14,124
Depreciation	3,204	17,578	20,782
Dues and memberships	322	1,599	1,921
Interest and bank charges	854	11,554	12,408
Miscellaneous	439	14,387	14,826
Office equipment	1,595	749	2,344
Office supplies	8,319	6,422	14,741
Professional fees	8,232	7,869	16,101
Rent	12,978	14,271	27,249
Repairs and maintenance	1,557	3,219	4,776
Salaries and management	254,610	166,926	421,536
Telephone	8,799	10,444	19,243
Travel	7,997	12,892	20,889
Utilities	1,856	-	1,856
	$ 312,048	$ 280,748	$ 592,796

Island Waste Management Corporation
Schedule of Expenditures – Collection
Ten Month Period Ended March 31, 2000

Blue bag purchases	$ 301
Cart purchases	32,777
Cart storage	4,930
Fuel price escalation	1,056
Leases - carts	147,226
Recyclable collection contracts	91,134
Tippage on residential waste and compost	221,608
Waste and compost contracts	439,140
	$ 938,172

Island Waste Management Corporation
Schedule of Expenditures – Disposal
Ten Month Period Ended March 31, 2000

Wellington	
Equipment rental	$ 35,639
Gas and oil	18,629
Hazardous waste	20,328
Leachate treatment	109,114
Leases – equipment	127,427
Other	9,414
Repairs and maintenance	71,711
Salaries and wages	170,315
Security	5,904
Supplies and materials	52,093
Telephone	4,329
Travel and conference	6,618
Utilities	5,522
	$ 637,043
Scale operations	
Other	$ 16,814
Repairs and maintenance	14,257
Salaries and wages	103,992
Supplies	2,419
Tippage	3,056,463
Travel	2,407
Utilities	3,004
	$ 3,199,356
Tire baling	
Depreciation	$ 18,537
Equipment	577
Fuel	3,137
Interest on term loan	2,522
Repairs and maintenance	10,194
Supplies and wire	12,147
Trailer rental	2,388
Wages	44,632
	$ 94,134
Total	$ 3,930,533